



SHANNON & LEE LLP

700 Milam, Suite 1300
Houston, Texas 77002
United States

INVOICE

Invoice # 12
Date: 07/28/2022
Due On: 08/28/2022

Free Speech Systems, LLC

00008-Free Speech Systems, LLC Financial Restructuring

Services

Date	Attorney	Description	Hours	Rate	Total
07/01/2022	RJS	Draft list of items needed for filing; send same to M. Schwartz and team.	0.60	\$625.00	\$375.00
07/01/2022	KSL	Review revised term sheet with PQPR to determine whether formula works (.5); obtain background facts to start drafting Cash Management Motion and edit same (1.5); numerous t/cs with M. Schwartz to discuss status of amendments with PQPR (.6); attend Focus Group hosted by A. Feryal and participate on jury perception of Alex Jones (4.0)	6.60	\$850.00	\$5,610.00
07/01/2022	KSL	Work on outlining potential Plan of Reorganization as a way to defend against bad faith filing (1.0); t/c with S. Lemmon on Blue Ascension and follow-up with M.Schwartz (1.0); extended calls with Schwartz Associates and co-counsel to analyze whether FSS is ready to file chapter 11 (1.0); continue to outline pros and cons of filing and circulate for review by co-counsel (1.0)	4.00	\$850.00	\$3,400.00
07/01/2022	KSL	T/c with S. Lemmon on new issues between FSS and PQPR (.3); t/w with R. Shannon to discuss same and any new developments on FSS (.3); call with FSS financial and legal to go over new issues, status of financials and preparation for filing chapter 11 (1.0); revise and edit M.Schwartz Declaration by adding in sections on First Day Motions and correcting changes made by M. Schwartz (2.0)	3.60	\$850.00	\$3,060.00
07/04/2022	RJS	Draft declaration re tax return for petition (.3); draft list of equityholders for petition (.1); draft motion re notice to employees (1.0).	1.40	\$625.00	\$875.00
07/05/2022	RJS	Draft motion to extend time to file schedules and	2.61	\$625.00	\$1,631.25

		statements; draft motion re notice to Employees.			
07/05/2022	KSL	T/c with R. Battaglia to discuss issues to handle and approach to same on FSS filing (.4); work on editing and revising Cash Management Motion (1.5); numerous calls and discussions on revised agreement with PQPR for shipment of goods and split of revenues, theft issues with personnel and logistics of getting good financials from FSS (2.0); numerous t/c with S. Lemmon on issues relating to PQPR disputes (.5)	4.40	\$850.00	\$3,740.00
07/06/2022	RJS	Revise cash management motion	1.40	\$625.00	\$875.00
07/06/2022	KSL	T/c with R. Battaglia and S. Lemmon re: Term Sheet over PQPR revised agreement; email group on status of negotiations with PQPR; update RJ Shannon on status of negotiations; review with Marc Schwartz on 2nd quarter results; t/c with S. Lemmon on status of negotiations over PQPR terms (4)	4.00	\$850.00	\$3,400.00
07/07/2022	KSL	T/c with S. Lemmon to update on new issue for the day with PQPR (.4); Call with S. Lemmon, S. Jordan, R. Battaglia and R. Shannon to discuss new operational issues, PQPR Agreement and follow-up required (2.5); call with M. Schwartz to analyze status of financial projections and how to handle (1.0); extended call with state court litigators to find out exact schedule for trial and deadlines (2.0)	5.90	\$850.00	\$5,015.00
07/08/2022	KSL	Review emails and prepare for new issues to handle on FSS (.5); extended calls on PQPR Forbearance Agreement and revisions to same and discuss with M.Schwartz and R. Battaglia (3.0); continue to manage situation between PQPR and FSS as it relates to sharing of costs and allocation of burdens (1.0)	4.50	\$850.00	\$3,825.00
07/11/2022	KSL	Assist S.Jordan on indemnity issues between FSS and Alex Jones and counsel on same (.5); analyze timing of trials and handle issues relating to filing timing and why FSS needs a longer track record of going into chapter 11 (1.0); extended call with FSS group to discuss strategy on filing and break out of assignments for group (1.0); follow-up drafting of pleadings with further revisions to Declaration of M.Schwarz and other First Day pleadings (2.0)	4.50	\$850.00	\$3,825.00
07/12/2022	KSL	Emails with R. Shannon on status of case (.3); emails on potential plan structure (.3); t/c with N. Pattis on status of Connecticut litigation (.3); discuss with M. Schwartz and R. Battaglia pros and cons of going into bankruptcy too early (1.0)	1.90	\$850.00	\$1,615.00
07/14/2022	RJS	Attend status call re matter (.5); draft detailed email outlining research re bias considerations in abstention (2.5).	3.00	\$625.00	\$1,875.00
07/14/2022	KSL	Review markup to PQPR agreement by M.Schwartz	4.00	\$850.00	\$3,400.00

		and discuss same with R. Battaglia and R. Shannon (.5); go through issues with M. Schwartz on preparation of financials and analysis of financials for bankruptcy (1.0); t/c with S. Lemmon on new issues between PQPR and FSS (.5); discuss same with M. Schwartz and handle solutions with R. Battaglia and close loop (1.0); legal research on point advocated by S. Jordan that federal district court will consider whether defendant will get a fair trial as a factor in remanding (1.0)			
07/15/2022	RJS	Attend pretrial hearing re Heslin and Lewis matter via teleconference.	3.07	\$625.00	\$1,918.75
07/15/2022	KSL	Participate in observing Pre-Trial conference with A. Reyal in Judge Gamble's court and analyze whether A. Jones and FSS may receive a fair trial (9 hours reduced to 6)(6)	6.00	\$850.00	\$5,100.00
07/16/2022	KSL	Extended conference call with Alex Jones, Marc Schwartz, Shelby Jordan, Andino Reynal, R. Shannon, Norm Pattis and Ray Battaglia to discuss timing of filing, how to handle state court litigation and other strategic concerns (2.5); t/c with S. Lemmon to update on FSS direction so that PQPR is on same page (.5)	3.00	\$850.00	\$2,550.00
07/16/2022	KSL	Meet S. Lemmon in Houston to discuss operational issues and the need for flexibility as to commercial relationship between PQPR and FSS (1.0)	1.00	\$850.00	\$850.00
07/16/2022	RJS	Extended conference call re strategy going forward (3.0); follow up call with K. Lee re same (.2).	3.20	\$625.00	\$2,000.00
07/18/2022	KSL	T/c with S. Lemmon re: funds transfer under new agreement (.2); follow-up with M.Schwartz to clarify issues (.2); revise and edit M.Schwartz Declaration (1.0); conference call with FSS legal and financial team to analyze status of filing date and preparation for same (1.0)	2.40	\$850.00	\$2,040.00
07/18/2022	RJS	Daily conference call re status of matter.	1.00	\$625.00	\$625.00
07/19/2022	KSL	Numerous t/c with S. Lemmon and incorporate comments in discussion with group call regarding various issues to prepare for chapter 11 filing (1.0)	1.00	\$850.00	\$850.00
07/20/2022	KSL	T/c with S. Lemmon and M. Schwartz on new business conflict between PQPR and FSS and need to amend Forbearance Agreement (1.0); participate in FSS daily call to determine status of preparation for filing bankruptcy (1.0)	2.00	\$850.00	\$1,700.00
07/20/2022	RJS	Daily conference call re status of matter (1.0); review draft order re lift stay and provide comments re same (.7).	1.70	\$625.00	\$1,062.50
07/22/2022	KSL	Prepare for group call to discuss latest developments on filing Chapter 11 for FSS and split of responsibility	2.00	\$850.00	\$1,700.00

		(.5); analyze latest drafts of pleadings and edits to same, including comments to R. Battaglia drats (.5); call with FSS legal and financial to prepare for chapter 11 filing (1.0)			
07/22/2022	RJS	Daily status conference call (1.0); provide comments to signature block by email (.2).	1.20	\$625.00	\$750.00
07/24/2022	KSL	Revise and circulate Compensation Motion after review by M. Schwartz (.5); review and finalize Order on Lifting of Stay as to Heslin and Lewis (.5); draft and revise Motion to Lift Stay in favor of Heslin and Lewis (2.0)	3.00	\$850.00	\$2,550.00
07/25/2022	RJS	Revise draft of lift-stay motion; attend meeting with R. Battaglia, K. Lee, M. Schwartz, and J. Shulse; view voire dire in Heslin/Lewis matter.	8.37	\$625.00	\$5,231.25
07/25/2022	KSL	Revise and edit Order Lifting Stay in Favor of Heslin and Lewis (.4); revise and incorporate comments made by M.Schwartz to Compensation Motion and circulate (.3); numerous t/cs with S. Lemmon to obtain update on PQPR position of use of cash collateral and business negotiations (.6); review status of preparation for filing and status of First Day Motions to be reviewed (.5); O/c with CRO, Schwartz Associates, Jeff Shulse, R. Shannon and R. Battaglia to go through page turn of First Day Motions, 13 week budget draft and First Day Declaration (3); comprehensive review and edit of all First Day Motions and forward to R. Battaglia and R. Shannon (3 hours/2)(1.5); Incorporate and revise First Day Declaration of Marc Schwartz in Support of Voluntary Petitions and First Day Motions (3 hours/ 2)(1.5)' review and comment on Heslin\Lewis Motion to Lift Stay (.3)	7.60	\$850.00	\$6,460.00
07/26/2022	KSL	Emails with Shelby Jordan and Marc Schwartz on issues relating to fees and retainers (.3); evaluate comments to Heslin\Lewis Motion to Lift Stay and revise same, and order relating to same and circulate to team (.5); t/c with S. Lemmon to discuss status of cash collateral order, 13 week budget and follow-up on business issues between PQPR and FSS (.3); update team on conversation with S. Lemmon on use of cash collateral (.2); listen to trial of Heslin\Lewis State Court suit to determine whether claims are made about financial condition of FSS (4 hours/1/4)(1.0); extended o/c with FSS Financial and Legal team to review and obtain updates on data needed for First Day Motions (1.0)	3.30	\$850.00	\$2,805.00
07/26/2022	RJS	Attention to opening statements in Heslin/Lewis trial; prepare petition; conference call re status of matter.	3.50	\$625.00	\$2,187.50
07/27/2022	KSL	Review latest draft of Schwartz Declaration prior to meeting Schwartz for review and edit (.5); o/c with M. Schwartz, Harold Lee, Ray Battaglia, R. Shannon and Jeff Shulse to review 13-week cash flow forecast,	6.50	\$850.00	\$5,525.00

		issues relating to budget, and revisions to Schwartz Declaration (2.5); conference call with team to discuss status of chapter 11 preparation (.5); edit and revise remaining First Day Motions (.5); revise and edit Schwartz Declaration (2.5)			
07/27/2022	RJS	Finalize draft of petition, largest 20, creditor list, equityholder list, declaration re largest 20, and corporate ownership statement; attend daily status call; prepare calculation of sanctions and send same to attorney team.	4.60	\$625.00	\$2,875.00
07/28/2022	RJS	Review and finalize petition and first-day filings for bankruptcy.	6.00	\$625.00	\$3,750.00
07/28/2022	KSL	Review and finalize pleadings, Declarations, emails, financials and discussions with PQPR counsel on issues relating to filing chapter 11 for FSS (6.0)	6.00	\$850.00	\$5,100.00
07/29/2022	RJS	Estimate of time to review and finalize first-day filings for bankruptcy case.	6.00	\$625.00	\$3,750.00
07/29/2022	KSL	Review and finalize pleadings, Declarations, emails, financials and discussions with PQPR counsel on issues relating to filing chapter 11 for FSS (6.0)	6.00	\$850.00	\$5,100.00
Quantity Subtotal					140.85
Services Subtotal					\$109,001.25

Expenses

Type	Date	Description	Quantity	Rate	Total
Expense	06/06/2022	Meals: Lunch for group while meeting at FSS for discussions on planning for bankruptcy	1.00	\$156.63	\$156.63
Expense	06/06/2022	Meals: Lunch for meeting in Austin, Texas with FSS Legal and Financial, consisting of Pizza and salads from Home Slice Pizza	1.00	\$156.63	\$156.63
Expense	06/06/2022	Mileage: Mileage to and from Austin, Texas for meetings at FSS in Austin, Texas	1.00	\$177.00	\$177.00
Expense	06/14/2022	Meals: Lunch with Marc Schwartz at Little Pappasito's to discuss status of case and any new developments	1.00	\$72.32	\$72.32
Expense	06/16/2022	Copy Costs: Copies of corporate documents and other legal agreements of FSS at Fed Ex Kinkos	1.00	\$88.96	\$88.96
Expense	06/20/2022	Meals: Dinner after meetings in Austin, Texas and drive back to Houston	1.00	\$99.72	\$99.72
Expense	06/20/2022	Mileage: Mileage recovery for trip to and from Austin, Texas for meetings on FSS in Austin, Texas	1.00	\$177.00	\$177.00

Expense	06/29/2022	Meals: Lunch with Marc Schwartz and RJ Shannon at Nino's to discuss latest developments on FSS and new facts to review	1.00	\$156.98	\$156.98
Expense	07/01/2022	Parking: Parking and sandwiches from Antone's while observing Focus Group by Andino Feryal	1.00	\$63.17	\$63.17
Expense	07/07/2022	Meals: Antone's lunch sandwiches while working on pleadings and conference calls with Schwarz Associates	1.00	\$28.03	\$28.03
Expense	07/25/2022	Meals: Lunch sandwiches for meetings downtown at Schwartz Associates to discuss financials and page turn of First Day Motions	1.00	\$19.33	\$19.33
Expenses Subtotal				\$1,195.77	

Time Keeper	Position	Hours	Rate	Total
Kyung Lee	Attorney	93.2	\$850.00	\$79,220.00
R. J. Shannon	Attorney	47.65	\$625.00	\$29,781.25
Quantity Total				140.85
Subtotal				\$110,197.02
Invoice Discount				10.0% (-\$11,019.70)
<i>Agreed 10% discount for co-counsel role</i>				
Total				\$99,177.32
Payment (07/28/2022)				-\$99,177.32
Balance Owing				\$0.00

Detailed Statement of Account

Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
12	08/28/2022	\$99,177.32	\$99,177.32	\$0.00

IOLTA Trust Account

Date	Type	Description	Matter	Receipts	Payments	Balance
06/18/2022	Retainer	Retainer for representation	00008-Free Speech Systems, LLC		\$100,000.00	\$100,000.00
07/28/2022		Payment for invoice #12	00008-Free Speech Systems, LLC	\$99,177.32		\$822.68
07/29/2022	Retainer	Retainer in advance of bankruptcy filing.	00008-Free Speech Systems, LLC		\$50,000.00	\$50,822.68
IOLTA Trust Account Balance					\$0.00	

Please make all amounts payable to: Shannon & Lee LLP

Please pay within 31 days.